

FIRST REGULAR SESSION

HOUSE BILL NO. 640

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES JOHNSON (90) AND KREIDER (Co-sponsors).

Read 1st time February 5, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

1723L.011

AN ACT

To amend chapter 650, RSMo, by adding thereto eighteen new sections relating to private investigators, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 650, RSMo, is amended by adding thereto eighteen new sections, to
2 be known as sections 650.350, 650.352, 650.354, 650.356, 650.358, 650.360, 650.362, 650.364,
3 650.366, 650.368, 650.370, 650.372, 650.374, 650.376, 650.378, 650.380, 650.382 and 650.384,
4 to read as follows:

650.350. As used in sections 650.350 to 650.384, the following terms mean:

- 2 (1) "Board", the board of private investigator examiners established in section
3 **650.352;**
- 4 (2) "Client", any person who engages the services of a private investigator;
- 5 (3) "Department", the department of public safety;
- 6 (4) "Law enforcement officer", a law enforcement officer as defined in section
7 **556.061, RSMo;**
- 8 (5) "Organization", a corporation, trust, estate, partnership, cooperative or
9 **association;**
- 10 (6) "Person", an individual or organization;
- 11 (7) "Private investigator", any person who receives any consideration, either
12 **directly or indirectly, for engaging in the private investigator business;**
- 13 (8) "Private investigator agency", a person who regularly employs any other
14 **person, other than an organization, to engage in the private investigator business;**
- 15 (9) "Private investigator business", the furnishing of, making of, or agreeing to
16 **make, any investigation for the purpose of obtaining information with reference to:**

17 (a) Crimes or wrongs done or threatened against the United States or any state or
18 territory of the United States;

19 (b) The identity, habits, conduct, business, occupation, honesty, integrity,
20 credibility, knowledge, trustworthiness, efficiency, loyalty, activity, movement,
21 whereabouts, affiliations, associations, transactions, acts, reputation or character of any
22 person or for service of process while carrying a firearm;

23 (c) The location, disposition or recovery of lost or stolen property;

24 (d) The cause or responsibility for fires, libels, losses, accidents or damage or injury
25 to persons or to property or personal protection of life or property; or

26 (e) Securing evidence to be used before any court, board, officer or investigating
27 committee.

650.352. 1. The "Board of Private Investigator Examiners" is hereby created
2 within the division of professional registration. The board shall be a body corporate and
3 may sue and be sued.

4 **2.** The board shall be composed of five members appointed by the governor with
5 the advice and consent of the senate, one of such members which shall be a licensed
6 attorney. Each member of the board shall be a citizen of the United States, a resident of
7 Missouri, at least thirty years of age and, except for the attorney appointed, shall have been
8 actively engaged in the private investigator business for the previous five years. No more
9 than one board member may be employed by, or affiliated with, the same private
10 investigator agency. The initial board members shall not be required to be licensed but
11 shall obtain a license within one hundred eighty days after appointment to the board.

12 **3.** The members shall be appointed for terms of four years, except those first
13 appointed, in which case two members, who shall be private investigators, shall be
14 appointed for terms of four years, two members shall be appointed for terms of three years
15 and one member shall be appointed for a one-year term. Any vacancy on the board shall
16 be filled for the unexpired term of the member and in the manner as the first appointment.

17 **4.** The members of the board shall receive no compensation for their services but
18 shall be reimbursed for actual and necessary expenses incurred in performing their official
19 duties on the board.

650.354. Unless expressly exempted from the provisions of sections 650.350 to
2 **650.384:**

3 **(1)** It shall be unlawful for any person to engage in the private investigator business
4 in this state unless such person is licensed as a private investigator pursuant to sections
5 **650.350 to 650.384;**

6 **(2)** It shall be unlawful for any person to engage in business in this state as a private

7 investigator agency unless such person is licensed pursuant to sections 650.350 to 650.384.

650.356. The following persons shall not be deemed to be engaging in the private
2 investigator business:

3 (1) A person employed exclusively and regularly by one employer in connection
4 only with the internal affairs of such employer and where there exists an employer-
5 employee relationship;

6 (2) Any officer or employee of the United States, or of this state or a political
7 subdivision thereof while engaged in the performance of the officer's or employee's official
8 duties;

9 (3) A person engaged exclusively in the business of obtaining and furnishing
10 information as to the financial rating of persons;

11 (4) An attorney performing duties as an attorney;

12 (5) A collection agency or an employee thereof while acting within the scope of
13 employment, while making an investigation incidental to the business of the agency,
14 including an investigation of the location of a debtor or a debtor's property where the
15 contract with an assignor creditor is for the collection of claims owed or due, or asserted
16 to be owed or due, or the equivalent thereof;

17 (6) Insurers, agents and insurance brokers licensed by the state, performing duties
18 in connection with insurance transacted by them;

19 (7) Any bank subject to the jurisdiction of the director of the division of finance of
20 the state of Missouri or the comptroller of currency of the United States;

21 (8) An insurance adjuster. For the purposes of sections 650.350 to 650.384, an
22 "insurance adjuster" means any person who receives any consideration, either directly or
23 indirectly, for adjusting in the disposal of any claim under or in connection with a policy
24 of insurance or engaging in soliciting insurance adjustment business; or

25 (9) An unarmed process server only after having been specially appointed by a
26 court and only when investigating for the purpose of identifying the location of a subject
27 for service of process.

650.358. 1. Every person desiring to be licensed in Missouri as a private
2 investigator or private investigator agency shall make application therefor to the board of
3 private investigator examiners. An application for a license pursuant to the provisions of
4 sections 650.350 to 650.384 shall be on a form prescribed by the board of private
5 investigator examiners and accompanied by the required application fee. An application
6 shall be verified and shall include:

7 (1) The full name and business address of the applicant;

8 (2) The name under which the applicant intends to do business;

9 (3) A statement as to the general nature of the business in which the applicant
10 intends to engage;

11 (4) A statement as to the classification or classifications under which the applicant
12 desires to be qualified;

13 (5) Two recent photographs of the applicant, of a type prescribed by the board of
14 private investigator examiners, and two classifiable sets of the applicant's fingerprints;

15 (6) A verified statement of the applicant's experience qualifications; and

16 (7) Such other information, evidence, statements or documents as may be required
17 by the board of private investigator examiners.

18 2. Before an application for a license may be granted, the applicant shall:

19 (1) Be at least twenty-one years of age;

20 (2) Be a citizen of the United States;

21 (3) Not have a felony conviction or misdemeanor involving theft or drugs;

22 (4) Provide proof of insurance with amount to be no less than one million in
23 coverage for liability and proof of workers' compensation insurance as required in chapter
24 287, RSMo. The board shall have the authority to raise the requirements as deemed
25 necessary; and

26 (5) Comply with such other qualifications as the board adopts by rules and
27 regulations.

 650.360. 1. The board of private investigator examiners may require as a condition
2 of licensure as a private investigator that the applicant:

3 (1) Successfully complete a course of training conducted by a trainer certified
4 pursuant to section 650.382;

5 (2) Pass a written examination as evidence of knowledge of investigator business;
6 and

7 (3) Submit to an oral interview with the board.

8 2. The board shall conduct a complete investigation of the background of each
9 applicant for licensure as a private investigator to determine whether the applicant is
10 qualified for licensure pursuant to sections 650.350 to 650.384. The board will outline
11 basic qualification requirements for licensing as a private investigator and agency. The
12 board will waive testing requirements and issue a license to existing persons and agencies
13 who make application within ninety days of the law going into effect and meet the
14 requirements of subsection 3 of this section.

15 3. In the event requirements have been met so that testing has been waived,
16 qualification is dependant on a showing of, for the two previous years:

17 (1) Verifiable levels of revenue;

18 (2) Registration and good standing as a business in the state of Missouri; and

19 (3) One quarter million dollars in business general liability insurance.

20 4. The board may review applicants seeking reciprocity. An applicant seeking
21 reciprocity shall have undergone a licensing procedure similar to that required by this state
22 and shall meet this state's minimum insurance requirements.

 650.362. The board of private investigator examiners may deny a request for a
2 license if the applicant has:

3 (1) Committed any act which, if committed by a licensee, would be grounds for the
4 suspension or revocation of a license pursuant to the provisions of sections 650.350 to
5 650.384;

6 (2) The person has been finally adjudicated and found guilty, or entered a plea of
7 guilty or nolo contendere, in a criminal prosecution under the laws of any state or of the
8 United States, for any offense reasonably related to the qualifications, functions or duties
9 of any profession licensed or regulated under this chapter, for any offense an essential
10 element of which is fraud, dishonesty or an act of violence, or for any offense involving
11 moral turpitude, whether or not sentence is imposed;

12 (3) Been refused a license pursuant to the provisions of sections 650.350 to 650.384
13 or had a license revoked in this state or in any other state;

14 (4) While unlicensed, committed or aided and abetted the commission of any act
15 for which a license is required by sections 650.350 to 650.384; or

16 (5) Knowingly made any false statement in the application.

 650.364. 1. Every application submitted pursuant to the provisions of sections
2 650.350 to 650.384 shall be accompanied by an annual fee as determined by the board as
3 follows:

4 (1) For an individual license, agency license and employees being licensed to work
5 under an agency license; or

6 (2) If a license is issued for a period of less than one year, the fee shall be prorated
7 for the months, or fraction thereof, for which the license is issued.

8 2. The board shall set fees, as authorized by sections 650.350 to 650.384 at a level
9 to produce revenue which will not substantially exceed the cost and expense of
10 administering sections 650.350 to 650.384.

11 3. The fees prescribed by sections 650.350 to 650.384 shall be exclusive and
12 notwithstanding any other provision of law, no municipality may require any person
13 licensed pursuant to sections 650.350 to 650.384 to furnish any bond, pass any examination
14 or pay any license fee or occupational tax relative to practicing the person's profession.

15 4. A private investigator license shall allow only the individual licensed by the state

16 to conduct investigations. An agency license shall be applied for separately and held by an
17 individual who is licensed as a private investigator. The agency may hire individuals to
18 work for the agency conducting investigations for the agency only. Persons hired shall
19 make application as determined by the board and meet all requirements set forth by the
20 board except that they shall not be required to meet any experience requirements and shall
21 be allowed to begin working immediately upon the agency submitting their applications.
22 Employees shall attend a certified training program within a time frame to be determined
23 by the board.

650.366. 1. The board of private investigator examiners shall determine the form
2 of the license which shall include the:

- 3 (1) Name of the licensee;
- 4 (2) Name under which the licensee is to operate; and
- 5 (3) Number and date of the license.

6 2. The license shall be posted at all times in a conspicuous place in the principal
7 place of business of the licensee. Upon the issuance of a license, a pocket card of such size,
8 design and content as determined by the board shall be issued without charge to each
9 licensee. Such card shall be evidence that the licensee is licensed pursuant to the provisions
10 of sections 650.350 to 650.384. When any person to whom a card is issued terminates such
11 person's position, office or association with the licensee, the card shall be surrendered to
12 the licensee and, within five days thereafter, shall be mailed or delivered by the licensee to
13 the board of private investigator examiners for cancellation. Within thirty days after any
14 change of address, a licensee shall notify the board thereof. The principal place of business
15 may be at a residence or at a business address, but it shall be the place at which the licensee
16 maintains a permanent office.

650.368. 1. Any license issued pursuant to sections 650.350 to 650.384 shall expire
2 three years after the date of its issuance. Renewal of any such license shall be made in the
3 manner prescribed for obtaining an original license, including payment of the appropriate
4 fee, except that:

- 5 (1) The application upon renewal need only provide information required of
6 original applicants if the information shown on the original application or any renewal
7 thereof on file with the board is no longer accurate;
- 8 (2) A new photograph shall be submitted with the application for renewal only if
9 the photograph on file with the board has been on file more than two years; and
- 10 (3) Additional information may be required by rules and regulations adopted by
11 the board of private investigator examiners.

12 2. A licensee shall at all times be legally responsible for the good conduct of each

13 of the licensee's employees or agents while engaged in the business of the licensee, and the
14 licensee is legally responsible for any acts committed by such licensee's employees or agents
15 which are in violation of sections 650.350 to 650.384. A person receiving an agency license
16 shall directly manage the agency and employees.

17 3. A license issued pursuant to the provisions of sections 650.350 to 650.384 shall
18 not be assignable.

650.370. 1. Any licensee may divulge to the board, any law enforcement officer or
2 prosecuting attorney, or such person's representative, any information such person may
3 acquire as to any criminal offense, or instruct his or her client to do so if the client is the
4 victim but such person shall not divulge to any other person, except as he or she may be
5 required by law to do, any information acquired by such person at the direction of the
6 employer or client for whom the information was obtained.

7 2. No licensee or officer, director, partner, associate or employee thereof shall:

8 (1) Knowingly make any false report to his or her employer or client for whom
9 information was being obtained;

10 (2) Cause any written report to be submitted to a client except by the licensee, and
11 the person submitting the report shall exercise diligence in ascertaining whether or not the
12 facts and information in such report are true and correct;

13 (3) Use a title, wear a uniform, use an insignia or an identification card or make
14 any statement with the intent to give an impression that such person is connected in any
15 way with the federal government, a state government or any political subdivision of a state
16 government;

17 (4) Appear as an assignee party in any proceeding involving claim and delivery,
18 replevin or other possessory action, action to foreclose a chattel mortgage, mechanic's lien,
19 materialman's lien or any other lien; or

20 (5) Manufacture false evidence.

650.372. Each licensee shall maintain a record containing such information relative
2 to the licensee's employees as may be prescribed by the board of private investigator
3 examiners. Such licensee shall file with the board the complete address of the licensee's
4 principal place of business including the name and number of the street. The board may
5 require the filing of other information for the purpose of identifying such principal place
6 of business.

650.374. Every advertisement by a licensee soliciting or advertising business shall
2 contain the licensee's name and an address as they appear in the records of the board of
3 private investigator examiners. A licensee shall not advertise or conduct business from any
4 Missouri address other than that shown on the records of the board as the licensee's

5 principal place of business unless the licensee has received a branch office certificate for
6 such location after compliance with the provisions of sections 650.350 to 650.384 and such
7 additional requirements necessary for the protection of the public as the board may
8 prescribe by regulation. A licensee shall notify the board in writing within ten days after
9 closing or changing the location of a branch office.

650.376. 1. The board of private investigator examiners may suspend or revoke a
2 license issued pursuant to sections 650.350 to 650.384 if, after notice and opportunity for
3 hearing in accordance with the provisions of chapter 621, RSMo, the board determines that
4 the licensee has:

- 5 (1) Made any false statement or given any false information in connection with an
6 application for a license or a renewal or reinstatement thereof;
- 7 (2) Violated any provision of sections 650.350 to 650.384;
- 8 (3) Violated any rule of the board of private investigator examiners adopted
9 pursuant to the authority contained in sections 650.350 to 650.384;
- 10 (4) Has been convicted of a felony or misdemeanor involving theft or drugs;
- 11 (5) Impersonated, or permitted or aided and abetted an employee to impersonate,
12 a law enforcement officer or employee of the United States of America, or of any state or
13 political subdivision thereof;
- 14 (6) Committed or permitted any employee to commit any act, while the license was
15 expired, which would be cause for the suspension or revocation of a license, or grounds for
16 the denial of an application for a license;
- 17 (7) Knowingly violated, or advised, encouraged or assisted the violation of, any
18 court order or injunction in the course of business as a licensee;
- 19 (8) Used any letterhead, advertisement or other printed matter, or in any manner
20 whatever represented that such person is an instrumentality of the federal government, a
21 state or any political subdivision thereof;
- 22 (9) Used a name different from that under which such person is currently licensed
23 in any advertisement, solicitation or contract for business; or
- 24 (10) Committed any act which is grounds for denial of an application for a license
25 pursuant to the provisions of section 650.362.

26 2. The record of conviction, or a certified copy thereof, shall be conclusive evidence
27 of such conviction, and a plea or verdict of guilty is deemed to be a conviction within the
28 meaning thereof.

29 3. The agency may continue under the direction of another employee if the
30 individual holding the license is suspended or revoked as approved by the board. The
31 board shall establish a time frame in which the agency shall identify an acceptable person

32 who is qualified to assume control of the agency, as required by the board.

650.378. 1. Each private investigator or investigator agency operating pursuant to
2 the provisions of sections 650.350 to 650.384 shall be required to keep a complete record
3 of the business transactions of such investigator or investigator agency and upon the order
4 of the board shall give free and full opportunity to inspect the same and to inspect reports
5 made; but any information obtained by the board shall be kept confidential, except as may
6 be necessary to commence and prosecute any legal proceedings. The board shall not
7 personally enter a licensee's place of business to inspect records, but shall appoint another
8 state agency to act as gatherers of information and facts to present to the board regarding
9 any complaint or inspection they are looking into. The board may hire a private agency
10 as long as the agency is conducting an audit and is not an investigative agency or affiliated
11 in any way with a company that provides investigative services.

12 2. For the purpose of enforcing the provisions of sections 650.350 to 650.384, and
13 in making investigations relating to any violation thereof or to the character, competency
14 and integrity of the applicants or licensees hereunder, and for the purpose of investigating
15 the business, business practices and business methods of any applicant or licensee, or of the
16 officers, directors, partners or associates thereof, the board shall have the power to
17 subpoena and bring before the board any person in this state and require the production
18 of any books, records or papers which the board deems relevant to the inquiry. The board
19 also may administer an oath to and take the testimony of any person, or cause such
20 person's deposition to be taken, except that any applicant or licensee or officer, director,
21 partner or associate thereof shall not be entitled to any fees or mileage. A subpoena issued
22 pursuant to this section shall be governed by the rules of civil procedure. Any person duly
23 subpoenaed, who fails to obey such subpoena without reasonable cause or without such
24 cause refuses to be examined or to answer any legal or pertinent question as to the
25 character or qualification of such applicant or licensee or such applicant's or licensee's
26 business, business practices and methods or such violations, shall be guilty of a class A
27 misdemeanor. The testimony of witnesses in any investigative proceeding shall be under
28 oath, and willful false swearing in any such proceeding shall be perjury.

650.380. 1. The board shall adopt such rules and regulations as may be necessary
2 to carry out the provisions of sections 650.350 to 650.384.

3 2. No rule or portion of a rule promulgated pursuant to the authority of sections
4 650.350 to 650.384 shall become effective unless it has been promulgated pursuant to the
5 provisions of chapter 536, RSMo.

6 3. The department of public safety shall establish guidelines to permit a private
7 investigator to carry a concealed firearm, not to be greater than the firearm training

8 imposed on a P.O.S.T. commissioned officer of a county of the first classification. Any
9 private investigator holding a valid firearm permit issued by any city not within county or
10 any city with a population of at least four hundred thousand inhabitants will be exempt
11 from the requirements of this subsection.

650.382. 1. The board of private investigator examiners shall certify persons who
2 are qualified to train private investigators.

3 2. In order to be certified as a trainer pursuant to this section, a trainer shall:

4 (1) Be twenty-one or more years of age;

5 (2) Have a minimum of one-year supervisory experience with a private investigator
6 agency; and

7 (3) Be personally licensed and qualified to train private investigators.

8 3. Persons wishing to become certified trainers shall make application to the board
9 of private investigator examiners on a form prescribed by the board and accompanied by
10 a fee determined by the board. The application shall contain a statement of the plan of
11 operation of the training offered by the applicant and the materials and aids to be used and
12 any other information required by the board.

13 4. A certificate shall be granted to a trainer if the board finds that the applicant:

14 (1) Meets the requirements of subsection 2 of this section;

15 (2) Has no felony convictions or misdemeanor involving theft or drugs or currently
16 charged with either;

17 (3) Has sufficient knowledge of private investigator business to be a suitable person
18 to train private investigators;

19 (4) Has supplied all required information to the board; and

20 (5) Has paid the required fee.

21 5. The certificate issued pursuant to this section shall expire on the third year after
22 the year in which it is issued and shall be renewable triennially upon application and
23 payment of a fee.

650.384. Any person who knowingly falsifies the fingerprints or photographs or
2 other information required to be submitted pursuant to sections 650.350 to 650.384 is guilty
3 of a class D felony; and any person who violates any of the other provisions of sections
4 650.350 to 650.384 is guilty of a class A misdemeanor.